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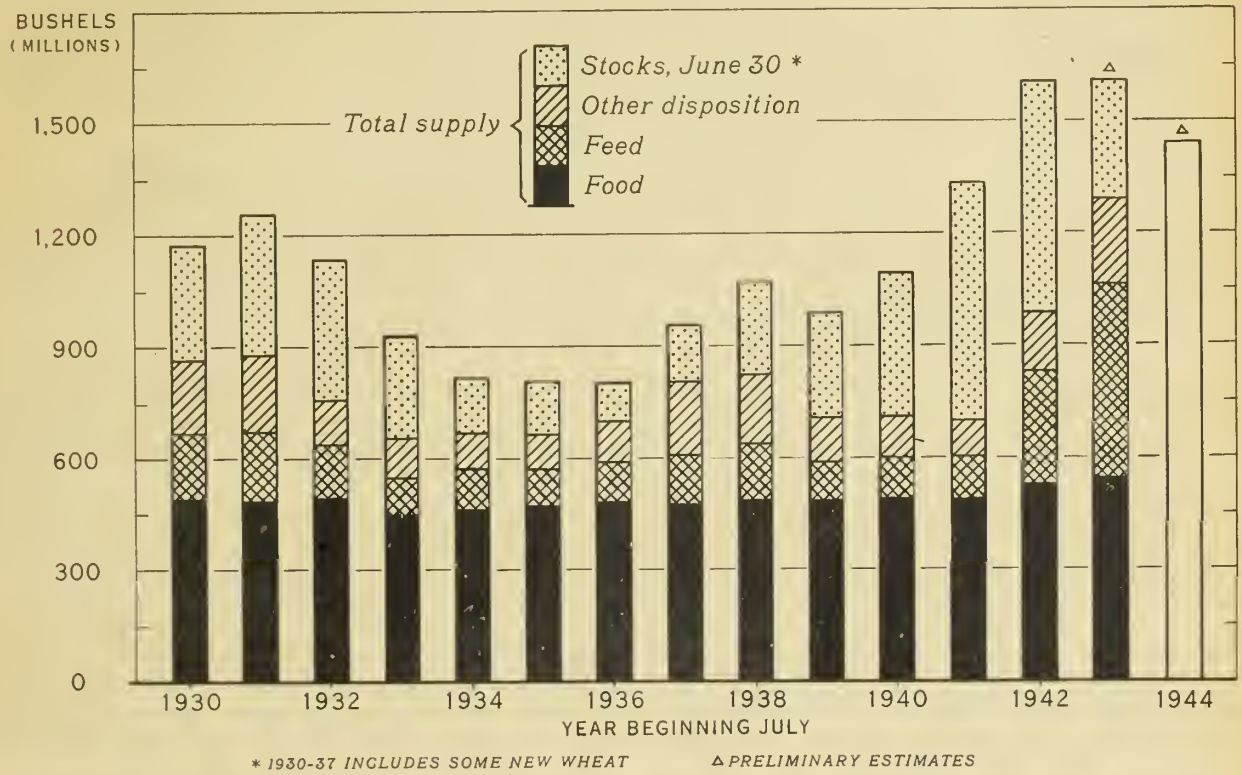
THE Wheat SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

WS - 82 BAE JULY 1944

WHEAT: DISTRIBUTION OF U. S. SUPPLY, 1930-44



U. S. DEPARTMENT OF AGRICULTURE NEG. 42548 BUREAU OF AGRICULTURAL ECONOMICS

During the last two years wheat disappearance has been at record high levels, mostly as the result of large quantities being used for feed and industrial alcohol. The large disappearance exceeded production in each of these years and substantial quantities of wheat for feeding were imported. Even with these imports, stocks were reduced from 632 million bushels in 1942 to 316 million in 1944. Supplies indicated for 1944-45 are adequate to cover continued large domestic consumption and large exports, and leave a sizeable carry over at the end of the year.

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THE WHEAT SITUATION
Including Rye

Summary

For the first time in 3 years the prospective domestic wheat crop probably will be large enough to cover requirements, without reducing the size of the carry-over. As of July 1 the crop was indicated at 1,128 million bushels, which would be the largest in our history and 93 million bushels above the indication based on June 1 condition.

The carry-over of old wheat on July 1, 1944 is now estimated at about 316 million bushels, and although considerably below the 632 million bushels a year earlier, it is about a third larger than the 235-million average in 1932-41. On the basis of prospective supplies (without imports) and disappearance, stocks July 1, 1945 may not be much different from those of July 1, 1944. The reduction from the all-time record high carry-over of 632 million bushels in 1942 reflects very large use of wheat for nonfood purposes.

The disappearance may not be as large as the record 1,290 million bushels in 1943-44. Utilization for food, seed, and alcohol are expected to be slightly larger than in the year just past, when these three items were about 545 million, 79 million and 107 million, respectively. The quantity of wheat fed in 1943-44 totaled about 517 million bushels, of which 100 million were fed on farms where grown, and the remainder domestic and imported wheat purchased. The quantity to be fed out of the present crop will depend upon the outcome of the corn crop. On the basis of present prospects 250 to 300 million bushels may be so used. Exports will depend upon the progress of the war. Last year they totaled less than 50 million bushels, and in the current year they are expected to be substantially larger.

During July, wheat prices declined seasonally, reflecting the movement of the new crop. With the very large disappearance in prospect the full price effect of the large crop, however, is moderated. The Commodity Credit Corporation has announced its policy to purchase wheat at 1 cent under the loan, the level of which has recently been increased 7 cents from 85 percent to 90 percent of parity. This purchase program will serve to check further price declines. Purchases from July 5 through July 25 totaled 19 million bushels. After the harvest movement is over, the heavy demand for nonfood as well as food uses is expected to be an important price strengthening factor.

Prospects are that the 1944 world wheat production, excluding that of the U.S.S.R. and China, may be moderately above the production in 1943, reflecting a large prospective increase in North America, offset only in part by prospective decreases in other countries. European production may be slightly below last year's crop, and below average. Wheat stocks in the four major exporting countries -- Canada, Argentina, Australia, and the United States -- on July 1, 1944 are now expected to total about 1,140 million bushels, which compares with about 1,750 million record in 1943 and the 1935-3 average of 457 million. Of these 1,140 million bushels, about 700 million may be considered available for export during 1944-45. The surpluses available from the 1944 harvests are expected to go far toward meeting import requirements, unless abnormally large shipments are required by Europe during the 1944-45 season.

The rye production indicated as of July 1 placed the crop at 29.4 million bushels, slightly below the 30.8 million produced in 1943. With July 1 stocks at the beginning of the new year estimated at 31.0 million bushels, total domestic supplies would be 60.4 million bushels. Food requirements are estimated at about 11-1/2 million bushels and seed at 6 million, which would leave substantial quantities for alcohol, spirits, and feed.

-- July 29, 1944

THE DOMESTIC WHEAT SITUATION

BACKGROUND.- In the 10-year pre-war period 1932-41, the annual carry-over of old wheat in the United States averaged about 235 million bushels, production averaged 738 million, and domestic disappearance 677 million, of which food was 479, feed 117, and seed 81. In 1942-43 supplies totaled 1,607 million bushels, consisting of stocks of 632 million, a crop of 974 million, and imports of 1 million. In the same year we used 526 million bushels for food, 306 million for feed, 65 million for seed, and 55 million for industrial alcohol.

Wheat prices have generally advanced since 1938. The weighted average price to growers in each year from 1939-40 to 1943-44 were as follows, in cents per bushel: 69, 68, 94-1/2, 110, and 133. In 1943-44 the extra demand for wheat resulting from the war has become a more important price factor than the loan program which had been the important factor prior to that time. Prices advanced to approximately parity at the end of December and on January 4, 1944, ceilings were placed on wheat prices. 1/

Wheat Supplies Near Record; Crop Expected to Cover Requirements First Time in 3 Years

The domestic wheat supply, not including imports, for the 1944-45 year, is now indicated at about 1,444 million bushels, which would be second only to the 1,606 million in 1942-43 and 1,458 million in 1943-44. It would be considerably larger than the 973 million-bushel average in 1932-41. As of July 1, the crop was indicated at 1,128 million bushels, which would be largest in our history 2/, and 93 million bushels above the indication based on June 1 condition. Conditions have continued favorable since July 1. The carry-over of old wheat on July 1, 1944 is estimated at 316 million bushels 3/, and although considerably below the 622 million bushels, the revised figure for a year ago, it is about a third larger than the 235 million-average in 1932-41.

For the first time in 3 years the prospective crop probably will be large enough to meet requirements without reducing the size of the carry-over. On the basis of prospective disappearance (without including imports), stocks July 1, 1945 may not be much different from the 316 million bushels estimated for July 1, 1944. The reduction from the all-time record high carry-over of 632 million bushels in 1942 reflects very large use of wheat for nonfood purposes.

Disappearance in 1944-45 may not be as large as the record 1,290 million bushels in 1943-44. Utilization for food, seed, and alcohol are expected to be slightly larger than in the year just past, when these three items were

1/ Statement and schedule of ceilings in The Wheat Situation of March-April 1944, page 6.
2/ The only other billion-bushel crop was 1,009 million bushels produced in 1915; the most recent crop approaching it was 974 million bushels in 1942.
3/ Subject to slight revision.

about 545 million, 79 million, and 107 million, respectively. The quantity of wheat fed in 1943-44 totaled about 517 million bushels, of which 100 million were fed on farms where grown, and the remainder domestic and imported wheat purchased. 1/ The quantity of wheat to be fed out of the present crop will depend upon the outcome of the corn crop. On the basis of present prospects 250 million to 300 million bushels might be so used. Exports will depend upon the progress of the war. Last year they totaled less than 50 million bushels and in the current year are expected to be substantially larger.

Indicated Winter Wheat Crop Second Highest and Spring Crop Fourth Highest; Acreage and Yield Both Large

Of the total wheat crop of 1,128 million bushels, indicated on the basis of July 1 condition, winter wheat made up 793 million and spring wheat 335 million bushels. The indicated winter crop is the second highest of record, having been exceeded only in 1931, and the spring crop the fourth highest of record, having been exceeded only in 1915, 1918, and 1938. Durum wheat production of 36 million bushels is lower than in any of the past 3 years, but only slightly under last year. Other spring wheat production at 299 million bushels, however, is at the highest point since at least 1919, the first year of record.

The estimate of 60.9 million acres of all wheat for harvest in 1944 is comparatively large in United States wheat acreage history. This is about one-fifth larger than the 50.5 million acres harvested last year, and 13 percent larger than the 1933-42 average. In the 78 years of record or since 1866, there have been only nine other years of larger wheat acreage, the most recent being in 1938. The acreage of winter wheat for harvest in 1944 is estimated at 41.9 million acres. This is 23 percent more than the winter wheat acreage harvested last year. The indicated 19.0 million acres of spring wheat (including durum) is an increase of 15 percent. Durum wheat, estimated at 2.2 million acres, is 4 percent more than last year but continues the decline of recent years in its proportion of the total spring wheat acreage.

The favorable turn in spring weather and ideal conditions for winter wheat harvest share with the increased acreage the credit for thebumper crop. The effects of this weather on yields is evident in the indicated all-wheat yield of 18.5 bushels per acre, exceeded only by the 1942 yield of 19.8 bushels per acre. The indicated yield of 18.9 bushels per acre for winter wheat and 16.7 bushels for spring wheat, rank high in the record of yields for each kind of wheat. The indicated yield of durum wheat, however, is below last year.

Rains beginning in the early spring brought about remarkable recovery of winter wheat, which had been seeded under very unfavorable conditions and had withstood a very dry period subsequently.

Seeding conditions were generally favorable in the spring wheat belt, except in South Dakota, where excessive rains somewhat delayed and reduced

1/ Includes wheat purchased at the close of the 1942-43 year.

plantings. In North Dakota and Montana, where the fall and winter were dry, spring rains were plentiful enough to encourage planting the intended acreage and to promote good plant growth. In the Pacific Northwest winter wheat abandonment was light, and the acreage of spring wheat seeded on abandoned winter wheat ground was small.

Winter wheat yields indicated June 1 were universally above average and above last year is the important States, excepting Nebraska, Colorado, Montana, Oregon and California. Indicated spring wheat yields were also above average in all States except New Mexico, but were lower than last year in some important States, notably North Dakota, Colorado, Montana, Washington, and Oregon. In those States the moisture deficiency of last fall and winter had been considerably restored by spring and summer rains, but the optimum conditions of last year had not been fully restored.

Black stem rust present at the time of the July crop report has continued to cause concern in the Central Plains area, especially in late wheat in Nebraska and northeastern Colorado where development was unusually rapid after July 1. Outbreaks of varying intensity have occurred in western and central Kansas, and in other scattered localities. Stem rust is present in South Dakota, but the situation is not particularly menacing for the State as a whole. According to the Weather Bureau, the spring wheat crop is still in mostly very good condition. Hot weather caused some damage to the late winter wheat crop.

Harvesting of winter wheat has advanced into the later portions of the main belt. Operations in western Kansas have been delayed by excessive rains and some deterioration is taking place. Harvesting is general in the Pacific Northwest, but in Montana it is not expected to be general for a week or more.

When computed by classes production of hard red winter is shown to be 497 million bushels, of soft red winter 230 million, of hard red spring 259 million, of durum 37 million, and of white wheat 104 million bushels. The greatest indicated increase over last year is in hard red winter wheat, 143 million bushels increase. Soft red winter increased 97 million bushels, hard red spring 31 million and white wheat 21 million, while durum wheat is slightl lower than last year. A 230-million-bushel crop of soft red winter wheat is above the 200-million-bushel average for the country as a whole, and materiall, above the short crops produced in the past 2 years. 1/ The combined crop in the five leading States, however, is still slightly below average. It is significantly above average only in Ohio; in Missouri and Pennsylvania it is about average, and in Indiana and Illinois below average.

Carry-Over July 1 Placed at 316 Million Bushels

The old crop carry-over on July 1 is now estimated at 316 million bushels. 2/ It is made up of 102 million bushels on farms, 83 million

1/ The restriction on the use of soft red winter wheat for alcohol production, which has been in effect during the recent period of shortage, was lifted as of July 1. This will increase the use of this type of wheat above normal requirements.

2/ Subject to slight revision.

commercial stocks in cities, 69 million in merchant mills and elevators, 30 million in interior mills and elevators 1/, and 32 million bushels of Commodity Credit Corporation wheat either in transit or in steel and wood bins. Of the total carry-over of 316 million bushels, about 99 million were owned by the Commodity Credit Corporation 2/, 14 million (1943 crop) still outstanding under loan, 4-1/2 million carried by the Office of Distribution, leaving about 200 million bushels of free wheat. Table 2 shows July stocks in the various positions compared with similar stocks in recent years.

Seasonal Decline in Wheat Price Moderate for so Large a Crop; Commodity Credit Corporation Purchasing at 1 Cent Under New Loan Level

During the past month wheat prices declined seasonally, reflecting the movement of the new crop. With the very large disappearance in prospect, the full price effect of the very large crop, however, has been moderated. A purchase program by the Commodity Credit Corporation, moreover, places a floor under the price structure. On July 5 the Corporation purchased 1.6 million bushels of hard wheat at Kansas City at 5 cents above the loan value which at that time was 85 percent of parity. The loan was subsequently advanced to 90 percent of parity 3/, which raised the previous loan values 7 cents per bushel. At the same time, the Commodity Credit Corporation announced that it would purchase wheat at 1 cent under the 90 percent-of-parity level. Purchases by the Commodity Credit Corporation July 5-25 have totaled 19 million bushels, of which 17 million bushels were in the Kansas City area, and 2 million in the Portland area.

On July 28 prices were generally 2 to 3 cents above the Corporation's purchase prices. Further price declines would be expected largely to reflect farmers' attitudes with regard to storing. The availability of space, both farm and terminal, and the trend of prices in recent years may be expected to influence many farmers to hold their wheat. It is expected that considerably larger quantities of grain will be put under loan this year at the 90 percent-of-parity rate. Last year farmers put 129.8 million bushels under loan, of which they redeemed 115.0 million bushels. After the harvest movement is over, the heavy demand for non-food as well as food uses is expected to be an important price strengthening factor.

On July 28 wheat prices were 2 cents higher to about 8 cents lower than a month earlier. The price of No. 2 Hard Winter at Kansas City at $1.51 was 11 cents below the ceiling, and No. 2 Soft Winter at St. Louis at $1.57 was 15 cents below the ceiling. The price of No. 1 Dark Northern Spring at Minneapolis at $1.55 was 9 cents under the ceiling, and No. 1 Soft White at Portland at $1.47 was 11 cents under the ceiling.

1/ Stocks in merchant mills and elevators attached to mills is subject to slight revision in early August.

2/ At the beginning of the last fiscal year the Commodity Credit Corporation owned 205 million bushels. The stocks were supplemented by purchases of 219 million bushels. Of the total holdings in 1943-44, the Corporation sold abou 321 million bushels for feed; in the previous year, such sales amounted to 275 million bushels.

3/ Announced on July 7, effective July 1. The higher loan rates will reflect a national average of about $1.35 per bushel at the farm on the 1944 crop.

WORLD WHEAT SITUATION

BACKGROUND.- Large world crops and restricted trade resulted in the largest world wheat supplies on record in 1938-43. The blockade and other war conditions reduced world exports of wheat and flour to below 400 million bushels in 1941-42 and 1942-43, compared with 465 million bushels in 1940-41, with 625 million in 1939-40, and 638 million in 1938-39. It is estimated that world exports of wheat and flour in 1942-43 were the smallest since the late 1880's. Exports in 1943-44 exceeded 500 million bushels -- the largest volume since the first year of the war.

World Wheat Production, Excluding Soviet Union and China may be Moderately Above 1943; Exportable Surplus in Exporting Countries Continues Large

Prospects are that the 1944 world wheat production, excluding that of the U.S.S.R. and China, may be moderately above the production in 1943, reflecting a large prospective increase in North America, offset only in part by prospective decreases in other countries.

A Canadian crop of 450-500 million bushels may be produced, according to unofficial estimates, which compares with 294 million in 1943. Conditions in the Prairie Provinces have continued generally very good. However, rains are needed especially in southwestern Saskatchewan, southeastern Alberta, and parts of the Peace River country. The official report on acreage seeded in the Prairie Provinces is 23.1 million acres, which compares with 16.7 million in 1943, 20.7 million in 1942 and an average of 24.8 million in the 1936-41 period. The actual seedings exceed the 21.3 million acres reported as farmers' intentions. With a winter wheat acreage of 684 thousand acres, the total for Canada is about 23.8 million acres. With a crop of 1,128 million bushels indicated for the United States, the total increase from last year in North America may be about 475 million bushels.

European production may be slightly below last year's crop and again below average. Prospects are generally fairly satisfactory. Shortages of fertilizer and labor, however, will be factors limiting yields in many cases. War operations may also affect the outturn in some important areas. Prospects continue for average or above average crops in Turkey, parts of the Balkans, and the British Isles.

The crop in India is estimated at about 368 million bushels (third official estimate) which compares with the final 1943 estimate of 408 million. The crops in Argentina and Australia on the basis of early season prospects may not be much different from last year. The 1943 estimate for Argentina has been revised from 261 million bushels to 249,855,000 bushels. Last year's crop in Australia was 108 million bushels, produced on the smallest acreage since 1919. Seeding in both of these countries is now practically completed. Early growth in Argentina is reported good; weather has been favorable in the important wheat provinces of Buenos Aires and Sante Fe, but rains are needed elsewhere. The outlook in Australia is still uncertain. Drought in the early season reduced intended acreage and gave the crop a poor start.

Wheat stocks in the four major exporting countries -- Canada, Argentina, Australia, and the United States -- on July 1, 1944 are estimated at about 1,140 million bushels. This compares with 1,750 million-bushel record in 1943 and the 1935-39 average of 457 million. The reduction in stocks in the past year of about 600 million bushels (table 6) is the greatest single-year change in carry-over supplies on record. It results in part from the smaller 1943 wheat harvest in the four countries and in part from the extra-ordinary demand for wheat for nonfood purposes. Virtually all of the decline in stocks occurred in North America. The decline in the United States amounted to about 300 million bushels and that for Canada 250 million bushels. Some reduction has taken place in Argentine stocks, but they are still near the record level of 1943. A moderate decrease is indicated for Australia as a result of the small 1943 harvest.

Of the total stocks of 1,140 million bushels, about 700 million bushels may be considered available for export during 1944-45. In arriving at the quantities available for export, allowance was made for domestic requirements in the three countries -- Canada, Argentine, and Australia, for the remainder of the season until their new harvests -- together with an allowance for year-end stocks. Supplementing the old-crop surplus, it now appears that 1944 harvests in North America will provide an additional surplus of 350-400 million bushels, while the Southern Hemisphere countries of Argentina and Australia should add another 100-150 million bushels, if around average yields are obtained. Unless abnormally large shipments are required by Europe during the 1944-45 season, the surplus in prospect from the four exporting countries should go far toward meeting import requirements. In turn, total carry-over stocks and the indicated surplus position would not be greatly changed on July 1, 1945, as compared with supplies on that date this year.

Table 1.- Wheat: Estimated distribution in continental United States, 1930-44

(Data for cover page)

Year beginning July	Disappearance: Food	Disappearance: Feed	Disappearance: Other	Disappearance: Total disappearance	Stocks June 30	Total supplies
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. lb.
1930	489.6	179.7	196.2	865.5	312.5	1,178.0
1931	482.8	190.2	205.7	878.7	375.3	1,254.0
1932	492.4	143.1	118.4	753.9	377.7	1,131.6
1933	448.4	102.6	106.2	657.2	272.9	930.1
1934	459.1	113.6	95.9	668.6	145.9	814.5
1935	474.5	99.1	94.7	668.3	140.4	808.7
1936	480.4	112.7	108.9	702.0	102.8	804.8
1937	477.3	129.8	197.5	804.6	153.1	957.7
1938	485.2	153.1	185.0	823.3	250.0	1,073.3
1939	482.4	108.2	121.2	711.8	279.7	991.5
1940	485.9	114.0	111.7	711.6	384.9	1,096.5
1941	489.5	114.5	95.6	699.6	632.1	1,331.7
1942	526.0	306.4	153.2	985.6	621.7	1,607.3
1943	545.0	516.8	229.8	1,291.6	316.4	1,608.0
1944						1/1,444.2

1/ Excluding imports which are expected to continue but at greatly reduced rate.

Table 2.- Wheat: Stocks in the United States on July 1, average 1933-42, and annual 1940-44 1/

Stocks position	Average: 1933-42:	1940	1941	1942	1943	1944
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Farm	73,031	79,571	86,858	164,050	192,336	102,533
Interior mills, elevators, and warehouses	49,564	35,312	73,789	142,366	103,804	29,712
Commercial	79,803	84,189	142,671	224,441	162,151	82,912
Merchant mills and mill elevators	69,161	80,650	81,598	96,837	104,378	2/ 68,830
Commodity Credit Corporation: wheat in transit and in steel and wood bins	441	0	0	4,409	58,990	32,381
Total	272,000	279,722	384,916	632,103	621,659	2/316,368

1/ Includes stocks owned by the Government or still outstanding under Government loan.
2/ Subject to revision in early August.

Table 3.- Wheat: Weighted average cash price, specified markets and dates, 1943 and 1944

Crop year, month, and date	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk.N.Spring Minneapolis		No. 2 Hard Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Soft White Portland 1/	
	1943	1944	1943	1944	1943	1944	1943	1944	1943	1944	1943	1944
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Crop year ended -												
June 30	126.0	152.6	126.3	144.8	129.0	155.4	131.5	156.5	134.5	166.5	118.5	144.6
Month:												
May	140.1	166.6	138.1	163.2	142.1	167.3	144.6	167.9	---	---	125.4	155.3
June	139.0	161.4	137.0	155.6	140.9	163.2	143.5	162.2	---	161.1	130.5	146.0
Week ended :												
June 3	139.7	166.6	137.7	162.0	142.0	166.8	146.3	167.7	---	---	129.2	151.3
10	140.5	165.9	137.8	161.2	143.1	166.9	146.5	165.8	---	---	130.1	148.0
17	139.4	160.2	137.2	157.3	140.4	161.2	143.1	160.7	---	---	129.9	145.8
24	136.8	159.3	135.0	154.7	139.2	160.4	139.0	159.9	---	162.0	131.2	143.8
July 1	141.2	160.0	140.0	154.0	142.2	163.2	146.2	164.2	156.6	160.8	133.4	144.5
8	144.1	155.5	142.3	151.8	143.8	163.4	148.5	162.6	163.0	157.1	134.2	144.8
15	142.6	156.5	140.0	152.0	140.5	164.4	146.1	162.8	166.1	157.5	133.2	146.8
22	141.6	155.7	140.0	152.1	140.3	162.2	145.2	162.6	167.4	156.9	135.2	147.7

1/ Weekly average of daily cash quotations.

Table 4.- Wheat: Average closing price of September wheat futures, specified markets and dates, 1943-44

Period	Winnipeg 1/	Chicago		Kansas City		Minneapolis	
	1943	1943	1944	1943	1944	1943	1944
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Month -							
May	91.2	143.9	163.1	137.0	156.2	137.3	158.7
June	93.0	144.3	158.4	136.6	151.5	137.4	154.4
Week ended							
June 3	92.2	144.8	160.7	137.0	153.7	137.9	156.5
10	93.8	145.3	158.3	137.3	151.6	138.6	153.9
17	93.3	143.6	158.2	135.7	151.3	136.9	153.5
24	92.3	143.0	157.1	135.4	150.4	135.9	153.2
July 1	93.6	146.8	158.6	139.6	151.4	139.5	155.9
8	97.3	147.7	158.1	140.5	150.6	140.1	155.1
15	99.7	145.4	157.9	138.3	150.7	137.8	154.4
22	99.2	145.3	156.6	138.8	149.7	137.8	152.5

1/ Conversions at official rate, which is 90.909 cents. Any United States buyer of Canadian grain would be required to make settlement in terms of United States dollars through an agent of the Canadian Foreign Exchange Control Board at the official rate. Trading suspended at close of September 27, 1943, price of December futures 120 cents Canadian funds, 109.1 cents United States funds.

Table 5.- Wheat: Prices per bushel in four exporting countries, Friday nearest midmonth, January-July 1944 and weekly June-July 1944

Date (Friday)	Hard wheat: United States	Hard wheat: Canada	Hard and semi-hard wheat: United States	Hard and semi-hard wheat: Argentina	Soft wheat: United States	Soft wheat: Australia
	No. 1 D. N. Sp. 15 pct. protein Buffalo c.i.f.	No. 1 Manitoba St. John f.o.b. 1/	No. 1 D. H. W. Galveston f.o.b. 2/	Rosafe f.o.b. 3/	No. 1 Portland f.o.b.	F.o.b. 4/
Friday, midmonth	Cents	Cents	Cents	Cents	Cents	Cents
Jan. 14 5/	184.3	128.4	173.0	81.3	151.0	84.5
Feb. 18	184.3	129.1	173.0	6/ 81.6	150.0	85.5
Mar. 17	183.0	129.5	173.0	7/ 94.2	147.0	85.5
Apr. 14	183.4	128.0	173.0	95.5	149.0	85.5
May 12	183.1	128.0	173.0	98.0	156.5	93.0
June 16	177.5	128.0	164.5	98.0	146.0	110.5
July 14	179.8	128.0	158.0	98.2	147.0	110.5
Week ended						
June 2	181.8	128.0	173.0	96.8	150.0	100.5
9	179.3	128.0	165.0	99.2	147.0	103.0
23	176.1	128.0	159.5	98.5	144.0	110.5
30	180	128.0	161.0	98.5	144.5	110.5
July 7	182.1	128.0	160.0	98.2	146.0	110.5
21	177.1	128.0	158.0	98.5	147.0	110.5
28	176.0	128.0	158.0	98.5	147.0	113.0

Current average farm prices are less than quotation about as follows: 1/ Canada 31 cents, 2/ United States 28 cents (series revised downward beginning January), 3/ Argentina 13 cents, and 4/ Australia 10 cents. 5/ Midmonth prices January 1942-October 1943, published in The Wheat Situation, September 1942 and subsequent issues. 6/ Old crop. 7/ New Crop quotations beginning March 17.

Table 6.- Estimated wheat stocks in four major exporting countries, as of July 1, 1935-44 1/

Year	United States grain 2/	Canadian grain 3/	Argentina	Australia	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1935	146	230	107	68	551
1936	141	161	74	53	429
1937	83	53	61	52	249
1938	154	38	99	62	353
1939	251	122	263	65	701
1940	280	320	102	135	837
1941	385	511	201	75	1,172
1942	632	446	238	141	1,457
1943	622	626	307	195	1,750
1944 4/	319	375	285	160	1,139

1/ 1922-34 in "The Wheat Situation" for May 1942, page 14. 2/ Includes United States wheat in Canada. Includes small quantities of new wheat prior to 1937. 3/ Includes Canadian wheat in the United States. 4/ Preliminary.

United States - Stocks on farms, in interior mills and elevators, commercial owned and stored for others in merchant mills and elevators, and Commodity Credit Corporation stocks not otherwise included.

Canada - Carry-over July 31, plus net exports and estimated retention of flour for July.

Argentina - Carry-over on December 31, plus exports and estimated domestic consumption, July 1 to December 31.

Australia - Carry-over on December 1, plus net exports and estimated domestic consumption July 1 to November 30.

THE RYE SITUATION

Substantial Quantities of Rye Available for Feed and Alcohol; Prices Slightly Lower

Disappearance of domestic rye in 1943-44 is estimated at about 55 million bushels. This is made up approximately as follows, in million bushels (table 7): 11-1/2 for food, 33 for feed, 6-1/2 for seed, and 4 for alcohol. Total supplies of domestic rye in 1943-44 were about 86 million bushels, consisting of beginning stocks of about 47.1 million bushels, production of 30.8 million, and imports of about 8 million.

Stocks on July 1, 1944 are estimated at 31 million bushels. These, together with a rye crop indicated, on the basis of July 1 condition, to be 29.4 million bushels (a reduction from the 31.6 million indicated a month earlier) make total domestic supplies of about 63.4 million bushels. Food requirements are estimated at about 11-1/2 million bushels and seed at 6 million, would leave substantial quantities for alcohol, spirits, and feed.

The price of No. 2 rye at Minneapolis on July 28 at $1.12 was 3 cents below a month earlier, which represents a seasonal adjustment to new crop conditions. Rye is the only important grain on which no ceiling prices have been placed. It is also the only important grain which has been substantially below the parity price. The average local price of rye in mid-July was $1.07, which was 88 percent of parity. A year earlier the average local price was 91 cents, which was 77 percent of parity.

Table 7.- Rye: Supply and distribution, United States, 1934-43

Year beginning July	Stocks July 1	Production	Imports	Total supply	Domestic disappearance: Food	Feed	Seed	Spirits and alcohol	Total	Exports
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
	With commercial stocks on July 1 plus farm stocks on June 1, 1/									
1934	15.4	16.3	11.2	42.9	5.9	6.2	9.4	10.2	31.7	2/
1935	11.2	56.9	2.3	70.4	5.9	20.5	9.5	12.8	48.7	2/
1936	21.7	24.2	3.9	49.8	9.8	11.6	10.9	11.6	43.9	0.2
1937	5.7	48.9	2/	54.6	6.7	15.9	9.9	6.0	38.5	6.6
1938	9.5	56.0	2/	65.5	6.1	19.2	10.5	5.5	41.3	0.8
1939	23.4	38.6	2/	62.0	9.8	17.3	8.1	5.6	40.8	0.7
1940	20.5	40.0	1.4	61.9	8.6	16.6	8.2	6.7	40.1	0.2
1941	21.6	45.4	8.8	75.8	11.3	18.4	8.4	6.9	45.0	2/
1942	30.8	57.7	1.0	89.5	11.3	26.3	7.5	2.0	47.1	2/
1943	42.4	30.8	3/ 8.0	81.2	11.5	32.4	6.4	4.3	54.6	2/
	With commercial stocks plus farm stocks plus interior mill and elevator stocks 4/, all on July 1									
1943	5/47.1	30.8	8.0	85.9	11.5	32.7	6.4	4.3	54.9	2/

1/ Farm stocks June 1 available only beginning 1934.
2/ Less than 50,000 bushels.
3/ Forecast.
4/ Farm stocks and interior mill and elevator stocks available only beginning 1943.
5/ In 1943 farm stocks were 15.3 million, interior mill and elevator stocks 8.5 million and commercial 23.3 million. In 1944, stocks totaled 31.0 million bushels consisting of farm stocks of 5.0 million bushels, interior mill and elevator stocks of 5.9 million, and commercial stocks of 20.1 million bushels.

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